



CLIMATE
ACTION
RESERVE

2023 ANNUAL REPORT



“The Reserve continued its leadership in delivering high-quality carbon credits and expanding opportunities for market participation to new geographies and sectors.”

Greetings,

2023 saw great progress, promise, and collaboration for carbon markets. Market participants accelerated efforts to ensure that carbon markets have a pivotal role in securing real, additional, and permanent GHG reductions now and into the future. Global initiatives ramped up to define credit quality, strengthen integrity, instill greater confidence, and ultimately, accelerate greater reductions. New and innovative collaborations between companies, countries, and programs sprung across the globe to further strengthen carbon connections and GHG reductions.

But carbon markets still have much road to traverse, including overcoming the negative perceptions about carbon credits perpetuated in the media, lack of progress on guidelines for the implementation of Article 6, confusion about the application of carbon credits toward climate goals, misguided focus on insetting, and the need to advance, synchronize, and integrate programs and technologies to ensure credit quality and scale capacity across the market.

During the past year, the Reserve continued its leadership in delivering high-quality carbon credits and expanding opportunities for market participation to new geographies and sectors. We adopted three new protocols for the global voluntary carbon market: U.S. Low-Carbon Cement Protocol, China Adipic Acid Production Protocol, and Dominican Republic Livestock Protocol. The new protocols represent several firsts for the Reserve: first protocol for the cement/building sector, first protocol for China, and first protocol for the Dominican Republic, respectively.

To further support market integrity and growth, we grew our involvement in major international initiatives and events, including ICVCM, CAD Trust, CORSIA, and COP28. During COP, the Reserve joined five other independent crediting programs in a groundbreaking collaboration aimed to increase the positive impact of carbon markets and share expertise to build upon high-integrity credits, transparency and rigor in our programs. We worked to inform market participants about opportunities for bold climate solutions – holding one of the largest and best-reviewed NACW conferences to date and also building new communications resources for our audience.

Yet we all know that we have a long way to go. Achieving high-quality GHG reductions takes a community of experts, thought-leaders, and supporters of climate solutions, and we are grateful for your involvement and support.

Best regards,
Craig Ebert, President

The Climate Action Reserve is the most trusted, efficient, and experienced carbon credit registry for global carbon markets.

A pioneer in carbon accounting, the Reserve promotes and fosters the reduction of greenhouse gas (GHG) emissions through credible market-based policies and solutions. As a high-quality carbon credit registry for voluntary carbon markets, it establishes rigorous standards involving multi-sector stakeholder workgroup development and local engagement and issues carbon credits in a transparent and publicly available system. The Reserve also supports compliance carbon markets in California and Washington and markets internationally.

The Reserve provides opportunities for GHG reductions at the scale and urgency necessary to meet the climate challenge with its Climate Forward program, which fosters proactive investment in future GHG reduction projects through ex ante crediting as a means to address emissions that are forecasted to occur. Additionally, the Reserve hosts the annual North American Carbon World conference, North America's premier event to learn, collaborate, and network on carbon markets and climate policy.

The Reserve is an environmental nonprofit organization operating virtually with staff members located around the world as well as an office in Los Angeles, California.

MISSION

To develop, promote and support innovative, credible market-based climate change solutions that benefit economies, ecosystems, and society.

VISION

A global economy that accelerates climate actions through full and accurate accounting of their costs and benefits.

VALUES

Environmental Leadership • Integrity •
Transparency • High Quality Customer Service •
Multi-Stakeholder Support • Market Value

**The Climate Action Reserve
is the most trusted,
efficient, and experienced
carbon credit registry for
global carbon markets.**



RESERVE CARBON CREDITS PROGRAM

- ✦ Adopted three new protocols for the global voluntary carbon market: U.S. Low-Carbon Cement Protocol, Dominican Republic Livestock Protocol, and China Adipic Acid Production Protocol.
- ✦ Continued development of three additional protocols for the global voluntary carbon market, including drafting the protocols and holding public comment periods for: U.S. and Canada Biochar Protocol, Panama Forest Protocol, and Guatemala Forest Protocol.
- ✦ Updated the U.S. Forest Protocol to Version 5.1.
- ✦ Issued errata and clarifications for U.S. Livestock, Mexico Livestock, Mexico Landfill, Mexico Forest, U.S. Grassland, and U.S. Landfill Protocols in an effort to continually improve upon existing protocols.
- ✦ The Reserve is currently undertaking updates of the following protocols:
 - Mexico Forest to v3.1
 - U.S. Grasslands to v2.2
 - Canada Grasslands to v1.1
 - Soil Enrichment to v2.0
 - U.S. Organic Waste Composting to v1.2
- ✦ Updated the Reserve Offset Program Manual (Version 9.0, November 2023) and Terms of Use.
- ✦ Updated the public registry to reflect reductions or removals.
- ✦ Conducted a survey to assess how best to incorporate reporting of non-GHG co-benefits into the Reserve carbon credits and Climate Forward programs.
- ✦ Hired three additional staff to support our growing program: Alex French, Analytical Team Manager; Miguel López Delgado, Analytical Team Manager LATAM; Alison Nord, Senior Associate.

- ✦ Approved by the Washington State Department of Ecology (Ecology) to support the state's cap-and-invest program as an Offset Project Registry (OPR).
- ✦ Applied for assessment against ICVCM's Core Carbon Principles.
- ✦ Joined five other independent crediting programs (ICPs) in ground-breaking collaboration announced at COP28 to increase the positive impact of carbon markets. The collaboration will build on and draw from the expertise and experience the registries have established and their work to support high integrity credits, transparency and rigor.
- ✦ Received conditional approval for 2024-2026 for CORSIA, first official phase beyond the pilot.
- ✦ Kristen Gorguinpour assumed the role of Co-Chair for the Climate Action Data (CAD) Trust Technical Committee.
- ✦ Entered into a strategic collaboration with El Ministerio de Ambiente de *Panamá (MiAmbiente)* to support strong development of Panama's national carbon market.

REGIONAL AND INTERNATIONAL CARBON MARKET INITIATIVES





20th NACW
NORTH AMERICAN
CARBON WORLD
ANNIVERSARY

PRESENTED BY



CLIMATE
ACTION
RESERVE

2023 marked the 20th anniversary of the NACW conference and drew an active and engaged audience of 900+ carbon market professionals from 26 countries to Anaheim, California. NACW 2023 covered new and important topics, shared actionable insights from top thought-leaders, and provided more opportunities and resources to connect and innovate. The conference sessions delved into the many innovations, developments, and changes in carbon market dynamics – including impacts of new investors and financial tools, market oversight rules, legislative and regulatory developments, market growth and trends, international opportunities, and the growing importance of SDGs/ environmental justice in the market. Attendees heard from eminent climate thought-leaders making an impact in the carbon landscape, including: Commodity Futures Trading Commission Chairman Rostin Behnam; Steven Guilbeault, Minister of Environment and Climate Change, Canada; Chair Liane Randolph, California Air Resources Board; and Minister Benoit Charette, Québec.





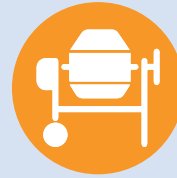
CLIMATE
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RESERVE

2023

YEAR IN REVIEW

[CUMULATIVE NUMBERS]

ADOPTED 3 NEW PROTOCOLS FOR THE
GLOBAL VOLUNTARY CARBON MARKET



U.S. Low-Carbon
Cement



Dominican Republic
Livestock



China Adipic Acid
Production



198 m

REGISTERED
CARBON CREDITS



63 m

RETIRED
CARBON CREDITS

25

PROTOCOLS

FIRST PROTOCOLS FOR:



DOMINICAN
REPUBLIC



CHINA

Projects are located in:



45

 U.S.
STATES

17

 MEXICO
STATES

SUSTAINABLE DEVELOPMENT GOALS

53

PROJECTS
REPORTING
SDG IMPACTS



NATURAL
CLIMATE
SOLUTIONS
311 PROJECTS
98m CREDITS



WASTE
HANDLING &
METHANE
DESTRUCTION
283 PROJECTS
54.6m CREDITS



INDUSTRIAL
PROCESSES &
GASES
135 PROJECTS
45.8m CREDITS



Approved by the Washington State
Department of Ecology to support
the state's cap-and-invest program
as an Offset Project Registry



THE INTEGRITY COUNCIL
FOR THE VOLUNTARY CARBON MARKET

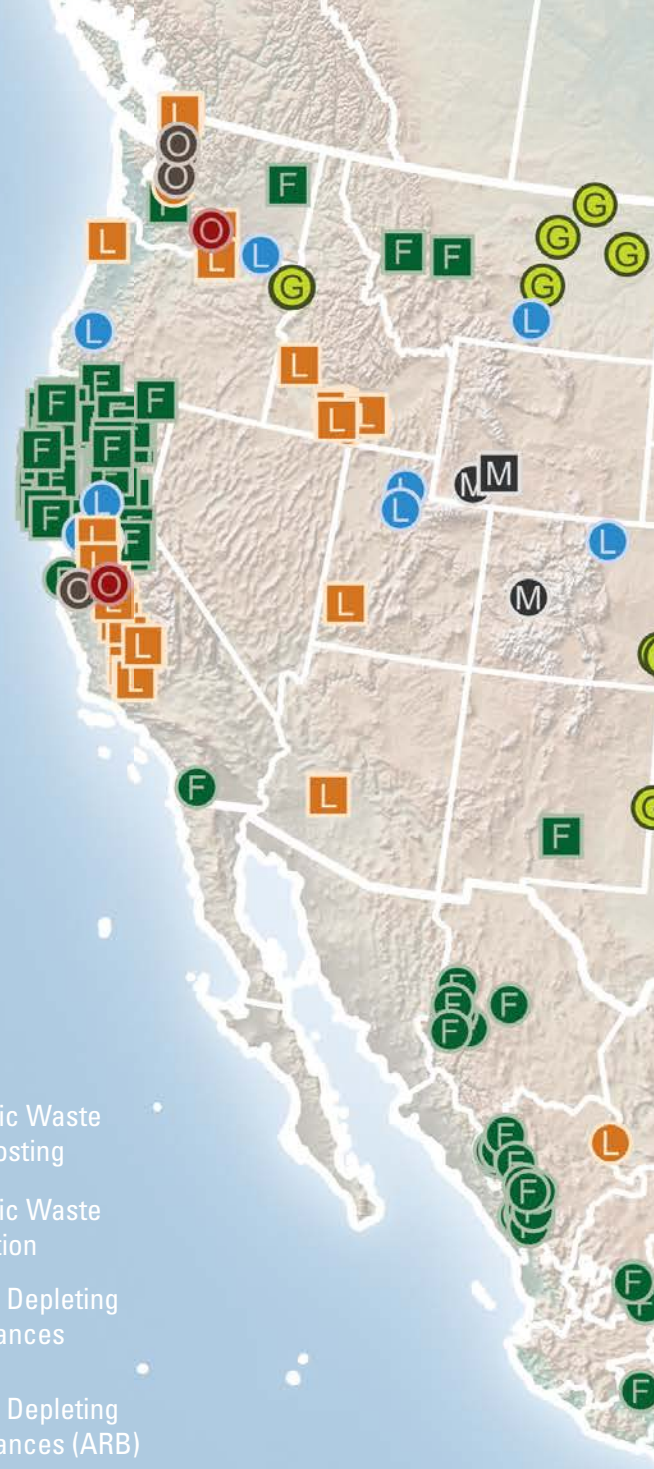
Applied for assessment against ICVCM's
Core Carbon Principles



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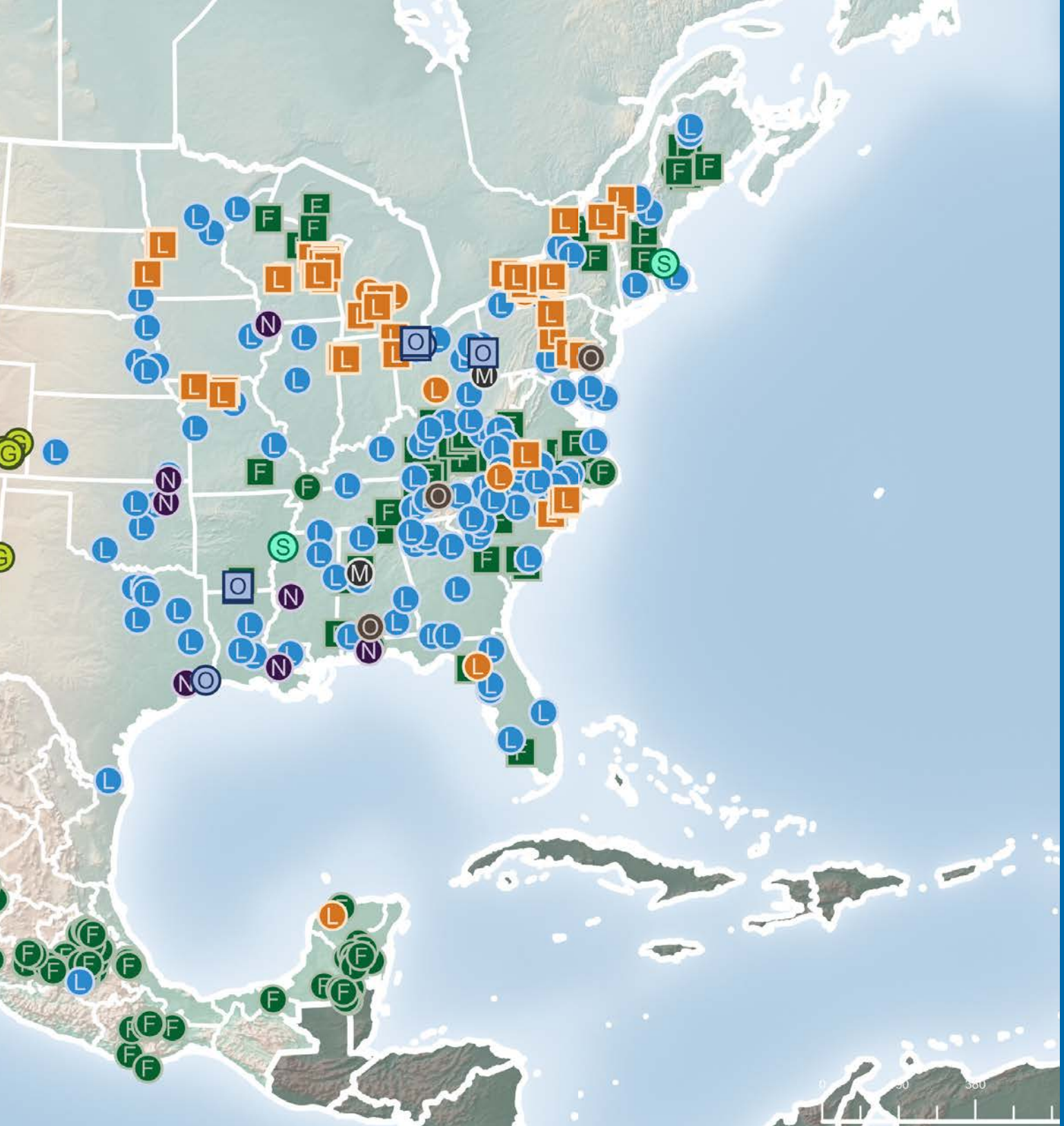
MAP OF REGISTERED & COMPLETED PROJECTS

(as of December 31, 2023)



- | | | |
|--------------|------------------------|----------------------------------|
| Adipic Acid | Livestock (ARB) | Organic Waste Composting |
| Forest | Mine Methane | Organic Waste Digestion |
| Forest (ARB) | Mine Methane (ARB) | Ozone Depleting Substances |
| Grassland | Nitric Acid Production | Ozone Depleting Substances (ARB) |
| Landfill | Nitrogen Management | Soil Enrichment |
| Livestock | | |

Map of Projects



CLIMATE FORWARD ▶

Climate Forward accelerates action on climate change by encouraging companies to make proactive investments now to mitigate their future emissions. It issues credits, called Forecasted Mitigation Units (FMUs), on an ex ante basis for forecasted climate benefits of greenhouse gas emission reduction projects in order to facilitate early investment in a wide array of innovative, creative emission reduction projects.

Interest in the Climate Forward program continues to grow as organizations look for bespoke emission reductions in line with future projections. Climate Forward offers the flexibility and creativity to invest in the emissions reduction project types, scales, and locations that are meaningful to an organization, while also offering the assurance and integrity of rigorous, high-quality GHG accounting standards.

2023 Achievements

- ⌘ Approved the Reduced Emissions from Megafires (REM) Forecast Methodology v1.0.
- ⌘ Issued errata and clarifications for the Reforestation and Solar Photovoltaic Forecast Methodologies.
- ⌘ Began updating the Reforestation Forecast Methodology to v2.0.
- ⌘ Released policy memos regarding the process for updating Climate Forward forecast methodologies and project expert training requirements.
- ⌘ Updated FAQs online to increase transparency and understanding of the program.
- ⌘ Created an introduction video for the REM Methodology.
- ⌘ Developed confirmation training modules to support and streamline project confirmation.



CLIMATE FORWARD ▶

2023 YEAR IN REVIEW

[CUMULATIVE NUMBERS]

Climate Forward



7 APPROVED
METHODOLOGIES



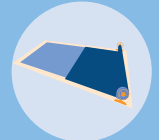
MATURE FOREST
MANAGEMENT



IMPROVED COOK
STOVES



DAIRY
DIGESTERS



POOL COVERS



REFORESTATION



SOLAR
PHOTOVOLTAIC



REDUCED EMISSIONS
FROM MEGAFIRES

FMUs

1.5m

FMUs
ISSUED

244k

FMUs
RETIRED

10 CONFIRMED
PROJECTS



- PROJECTS LOCATED IN -



CALIFORNIA



ZAMBIA



ZIMBABWE



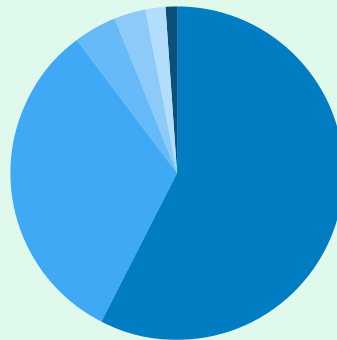
The Reserve hosted and spoke at numerous events and webinars across the globe

- ‡ Co-hosted a delegation of subnational leaders to COP28 in Dubai. Kristen Gorguinpour, Vice President of Programs, and Amy Kessler, Director of Latin America, represented the Reserve in numerous side events and meetings highlighting the Reserve's work to expand integrity and scale in global carbon markets and build a foundation for international climate cooperation.
- ‡ Reserve staff shared their expertise as speakers on numerous events and webinars, including:
 - Society of American Foresters (SAF) National Convention
 - IETA's North America Climate Summit at Climate Week NYC
 - Ecuador Carbon Forum
 - Mexico Carbon Forum, hosted by MexiCO2
 - Global Environmental Markets and Finance Summit, hosted by JT&A, inc.
 - Latin America & Caribbean Climate Week 2023, hosted by Panama (UN Regional Climate Week)
 - Latin America Climate Summit (LACS) 2023, hosted by IETA
 - Argentina Carbon Forum, hosted by Génesis & MÉXICO2
 - 3rd Annual Blue Carbon Forum, hosted by Wildcoast
 - Biochar Summit 2023
 - Low Carbon Cement & Concrete Consortium Meeting, hosted by National Institute of Standards & Technology
 - IETA-Alberta Voluntary Carbon Market Roundtable
- ‡ Held 11 verification trainings.
- ‡ Held 26 workgroup meetings to gather multi-stakeholder input and feedback during the protocol development process.
- ‡ Held 6 protocol public comment webinars to welcome public review and input on draft protocols.
- ‡ Held numerous protocol/methodology overview webinars and protocol kickoff webinars.
- ‡ Hosted 24 episodes of the second season of the Carbon Connection podcast, featuring Lauren Napuck, Business Development Manager, interviewing distinguished carbon market leaders to discuss market developments in North America and internationally, including pricing, new players, and projected growth. The podcast had 2,739 unique listens from 77 countries.



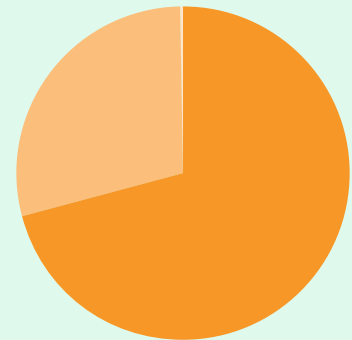
CONDENSED STATEMENT OF FINANCIAL POSITION

Total Assets	\$11,250,067
Liabilities	\$7,877,902
Net Assets	\$3,372,165
Total Liabilities & Net Assets	\$11,250,067
Total Revenues, Gains & Other Support	\$4,292,178
Expenses	\$4,165,083
Change in Net Assets	\$127,095



REVENUE & SUPPORT

Reserve Fees	57%
NACW Conference	32%
Grants/Contributions	4%
Workshop Income	2%
Contracts	1%
In-Kind/Misc	3%



EXPENSES

Program Services	71%
Management and General	29%
Fundraising	<1%



GOVERNING BOARD

Linda Adams, *Chair*

Former Secretary for Environmental Protection, California Environmental Protection Agency

Peter M. Miller, *Secretary*

Director, Western Region, Climate & Clean Energy Program, Natural Resources Defense Council

Jan Schori, *Audit Committee Chair*

Retired General Manager, Sacramento Municipal Utility District

Steve Corneli, *Nominating Committee Chair*

Clean Energy Advisor

Teveia Barnes

Former Executive Director, California Infrastructure and Economic Development Bank

Peter Liu

Managing Director, Clean Energy Advantage Partners

Heather O'Neill

President, Advanced Energy Economy

Eduardo Piquero
CEO, MÉXICO2

Tim Profeta

Special Counsel, US EPA, Office of Air Quality Planning and Standards

Dr. Stephan Schwartzman

Senior Director, Tropical Forest Policy, Environmental Defense Fund

Katie Sullivan

Managing Director, IETA

ADVISORY BOARD

Right Honorable Kim Campbell

Canada's 19th Prime Minister

Hon. Gray Davis

Former Governor, State of California; Of Counsel, Loeb & Loeb

Hon. Fran Pavley

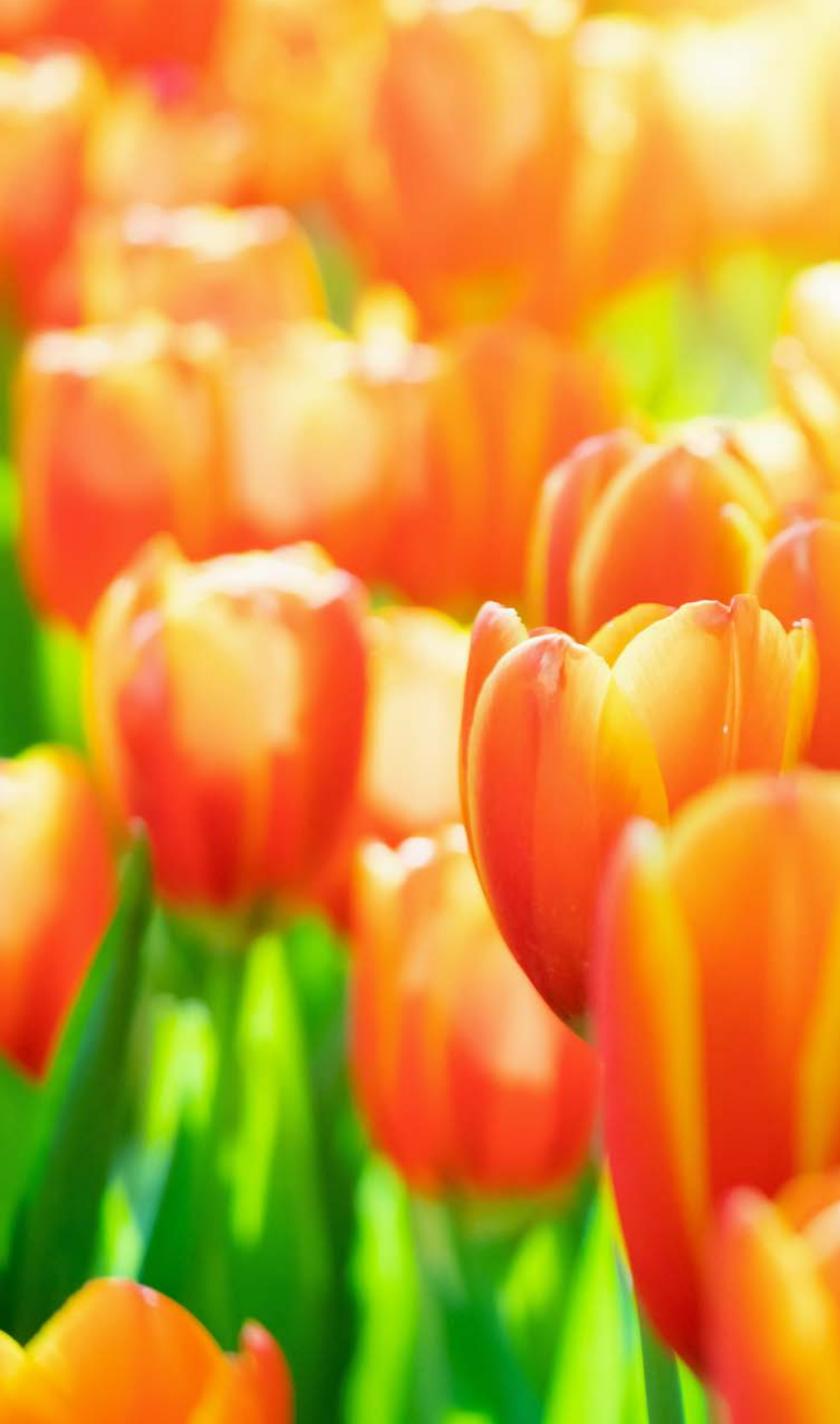
Former California State Senator

Diane Wittenberg

Founding President, California Climate Action Registry

Ed Begley, Jr.

Actor and environmental activist



Climate Action Reserve
600 Wilshire Blvd, Ste 202
Los Angeles, CA 90017

www.climateactionreserve.org



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